

Workforce Potential Project



Leveraging an
Untapped
Resource

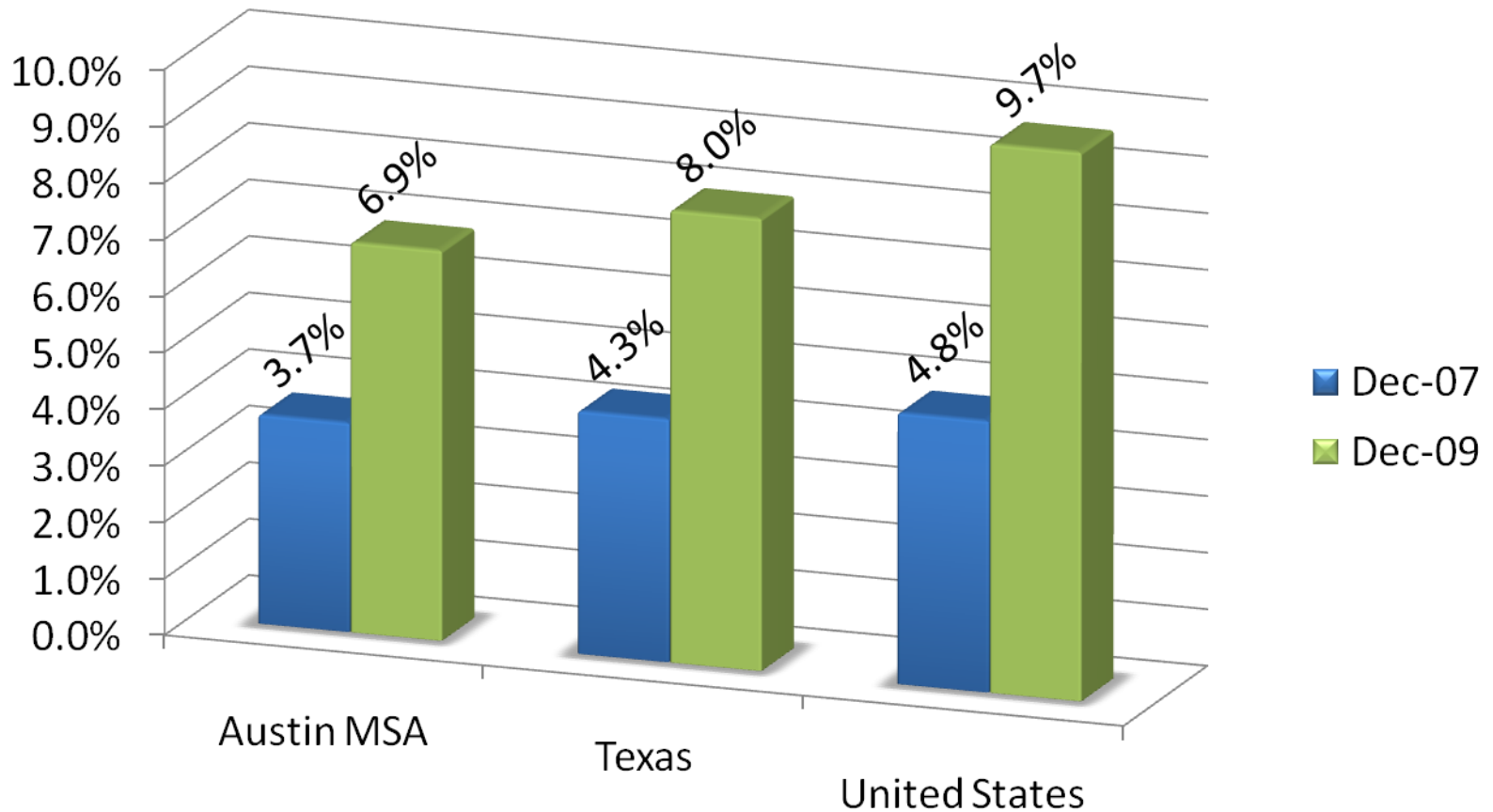


April 2011

Unemployment Rate

Effects of Recession

The civilian labor force for the Austin MSA is 986,800.



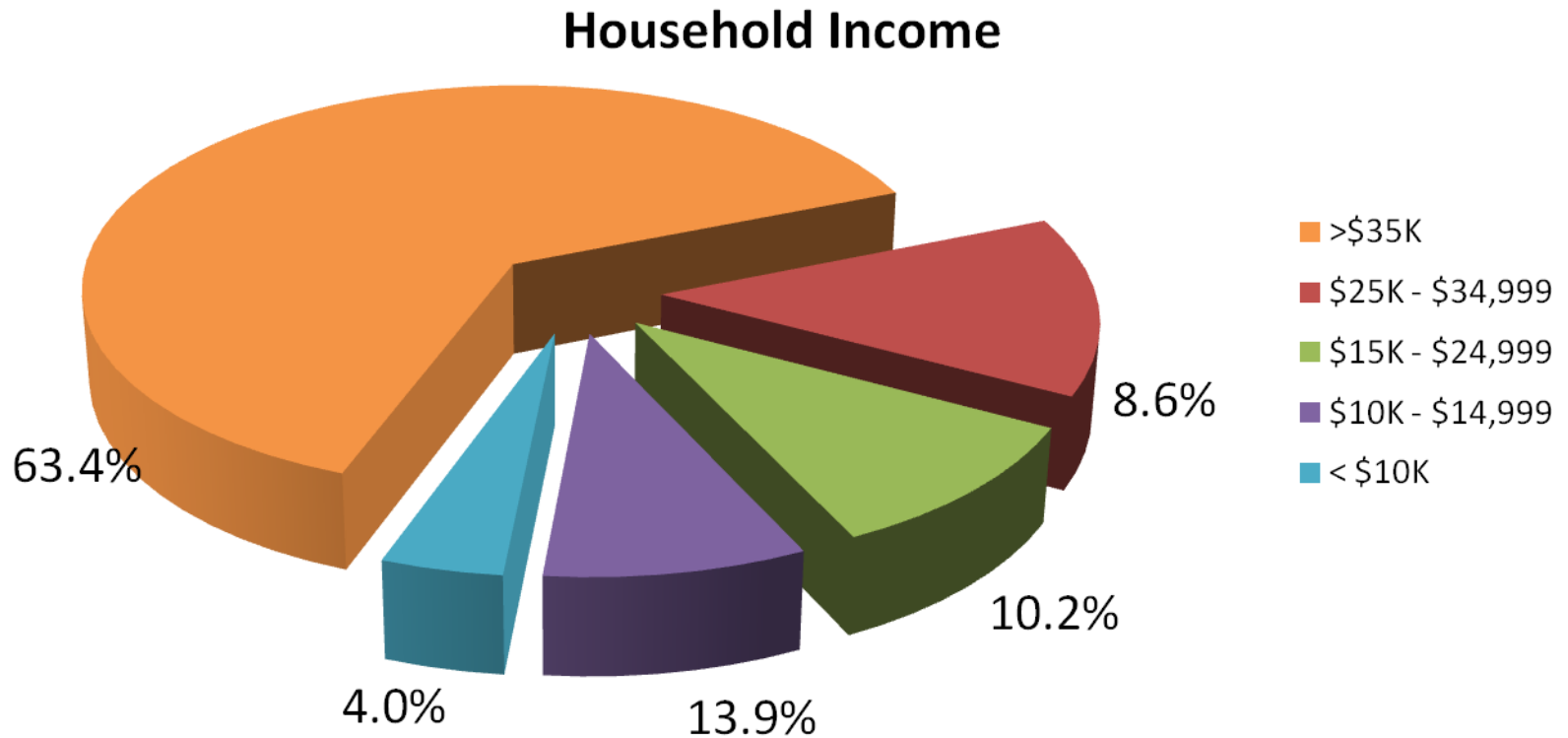
Good Jobs with Good Wages?

- Living wage for a family with two adults and one child in Austin is \$20.45/hr (\$42,536/yr)
- 60% of jobs in Austin-Round Rock MSA would require a second income for this family
- At entry level, only 42 out of ~750 occupations pay more than \$20.45/hr on average

Poverty in Central Texas

Austin Round Rock MSA 2006 to 2008

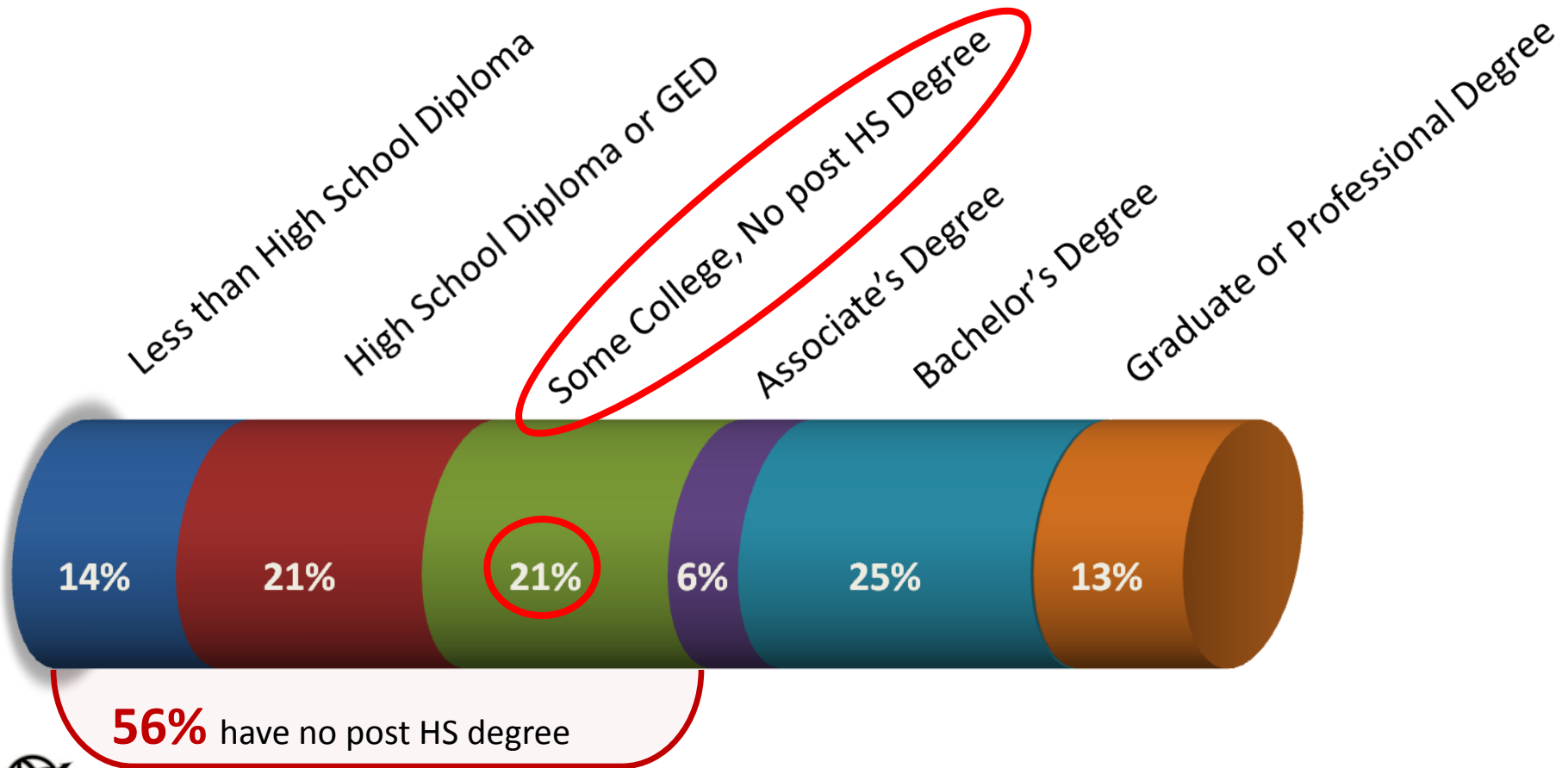
- 13% of Central Texans were in poverty (income < \$18,310 for family of 3)
- More than 40% are considered working poor (income < \$36,488 for family of 4)



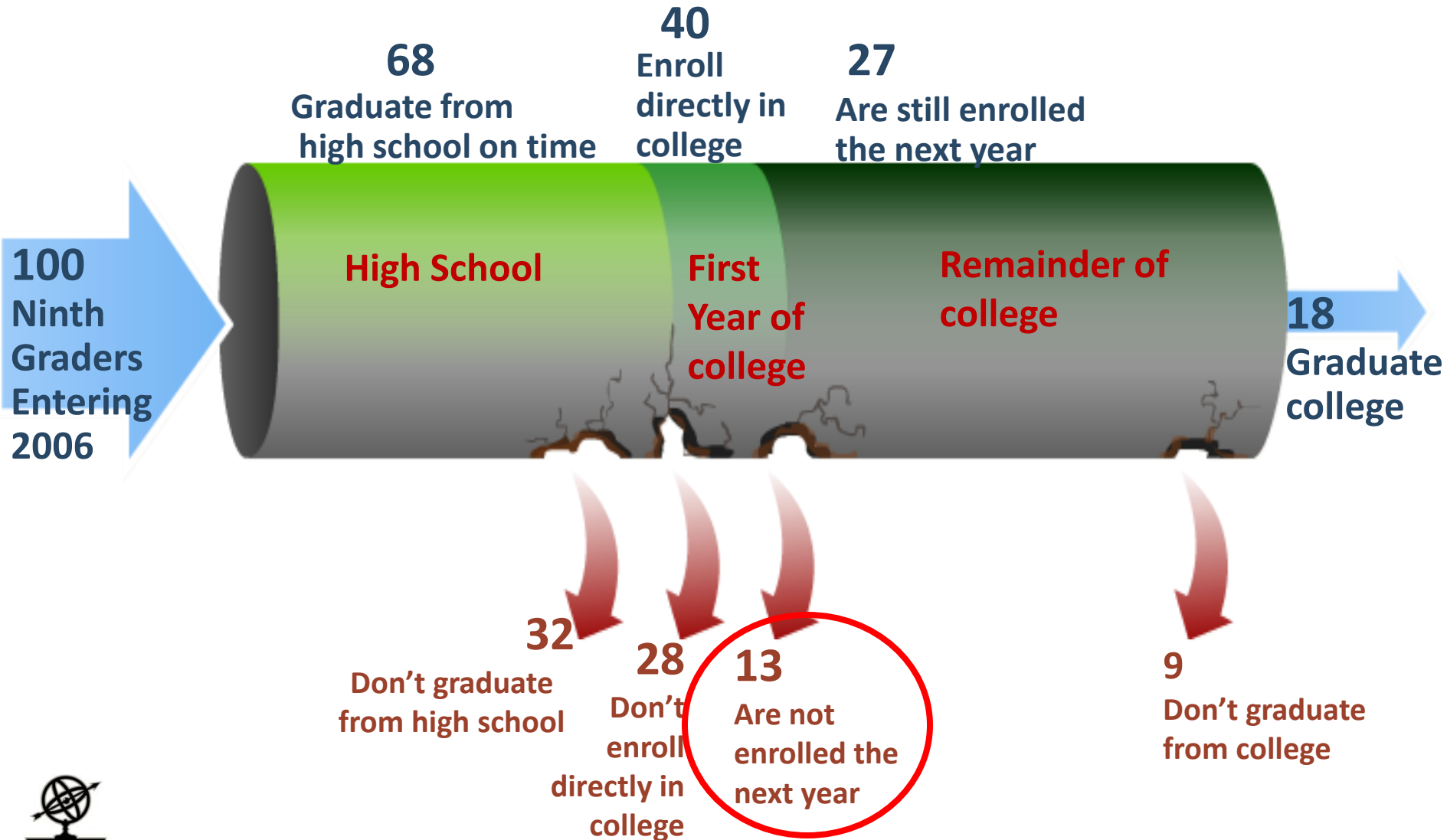
Educational Attainment

Percentage of Population 25 years and older

Austin/Round Rock MSA 2006-2008

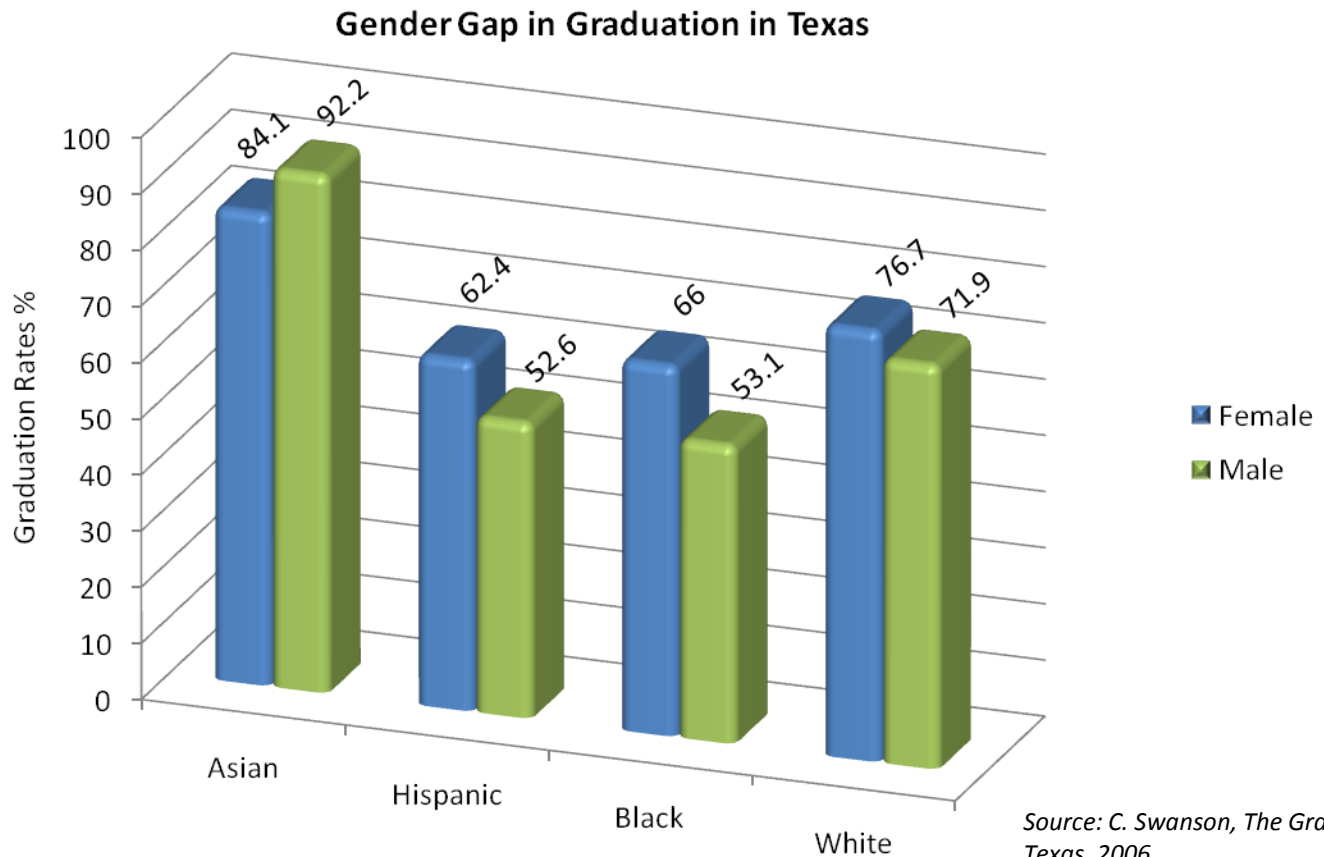


Texas Education Pipeline Is Broken



Who is falling out of the pipeline?

- 70% are members of minority and ethnic racial groups
- Fewer than 60% of black and Hispanic students graduate
- Males are less likely to graduate than females



Source: C. Swanson, *The Graduation Crisis in Texas, 2006*

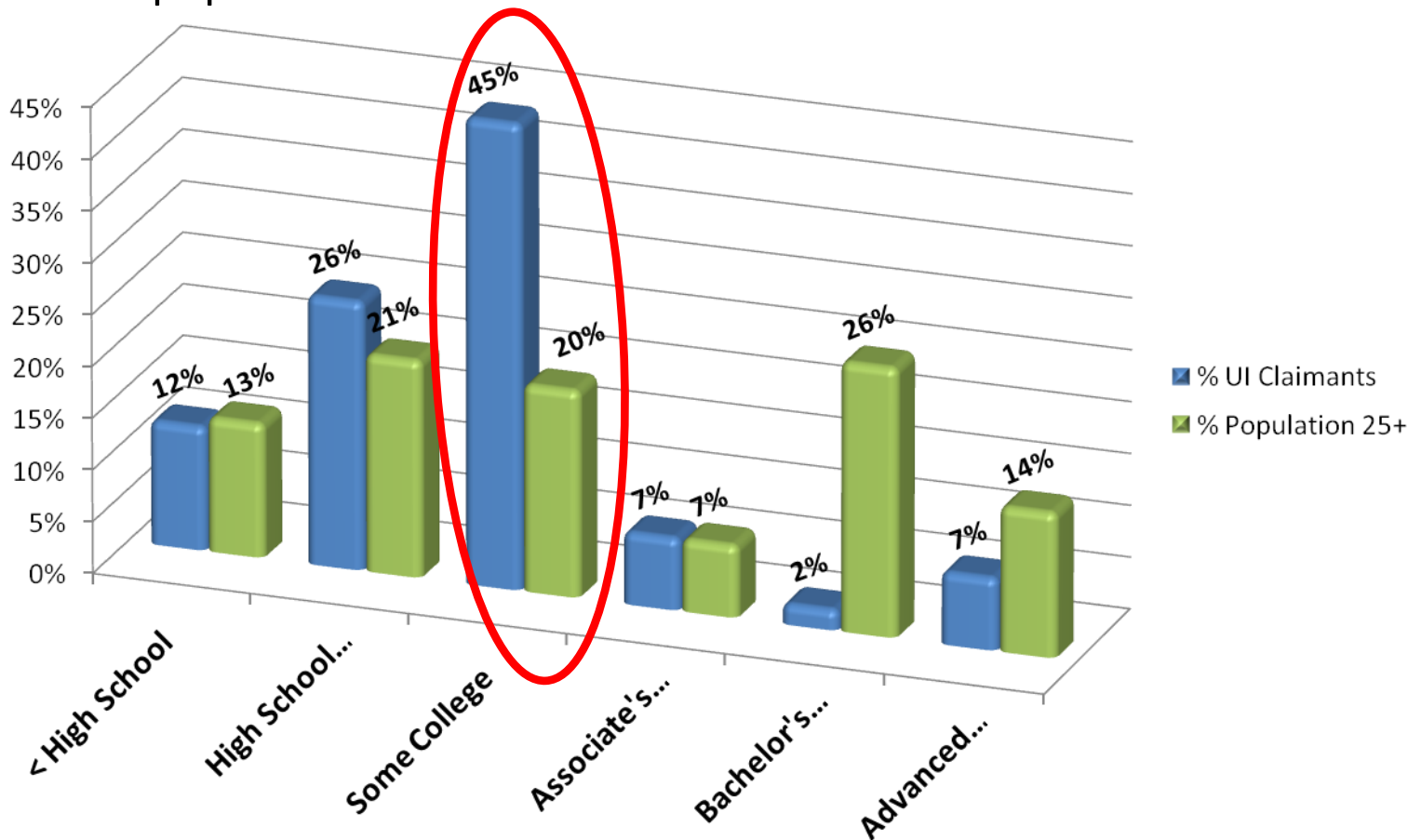
Where is the Focus?

- Improving skills and basic education has focused on Pre-K through 12 or postsecondary education
- More than 2/3rds of our workforce is *already* beyond the reach of the schools, and immigrants yet to arrive make up another sizeable portion
- Texas is projected to have a shortfall of 54,000 bachelor and associates degrees by 2015

Benefits of Postsecondary Education

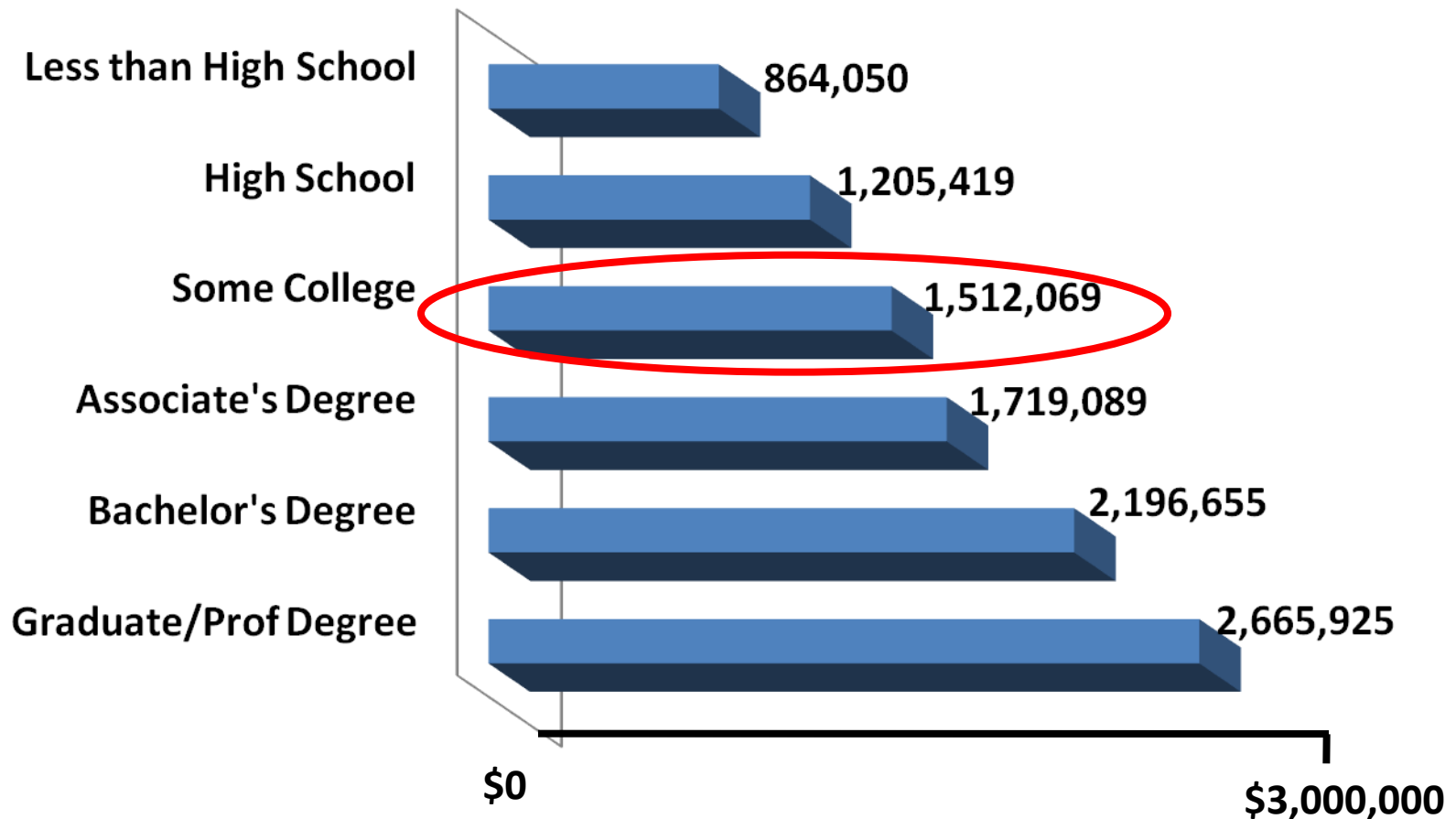
From December 2007 to October 2009

People **without** a completed postsecondary degree made up **84%** of all unemployment insurance claimants in Travis County even though they represent just 54% of the population.



How Does Education Payoff in Texas?

Lifetime Earnings (By Age 65)



ACC Graduation Rates 2001-2007

Achievement after 6 years

	Total		White		Black		Hispanic		Asian		Other	
	students	percent	students	percent	students	percent	students	percent	students	percent	students	percent
Baccalaureate or above	309	20%	227	23%	6	8%	39	15%	27	27%	10	8%
Associate	60	4%	35	4%	3	4%	15	6%	5	5%	2	2%
Certificate	20	1%	11	1%	1	1%	4	2%	1	1%	3	2%
Did not graduate, enrolled in 4-year institution Fall 2007	166	11%	116	12%	3	4%	33	13%	8	8%	6	5%
Did not graduate, enrolled in 2-year institution Fall 2007	102	7%	72	7%	5	7%	15	6%	6	6%	4	3%
Did not graduate, not enrolled	868	57%	506	52%	57	76%	154	59%	54	53%	97	80%
Total	1525	100%	967	100%	75	100%	260	100%	101	100%	122	100%

There are many reasons community college students may not complete a degree or certificate: they intend to transfer, they take only a few courses for job skills enhancement, or they are hired by business/industry before program completion.

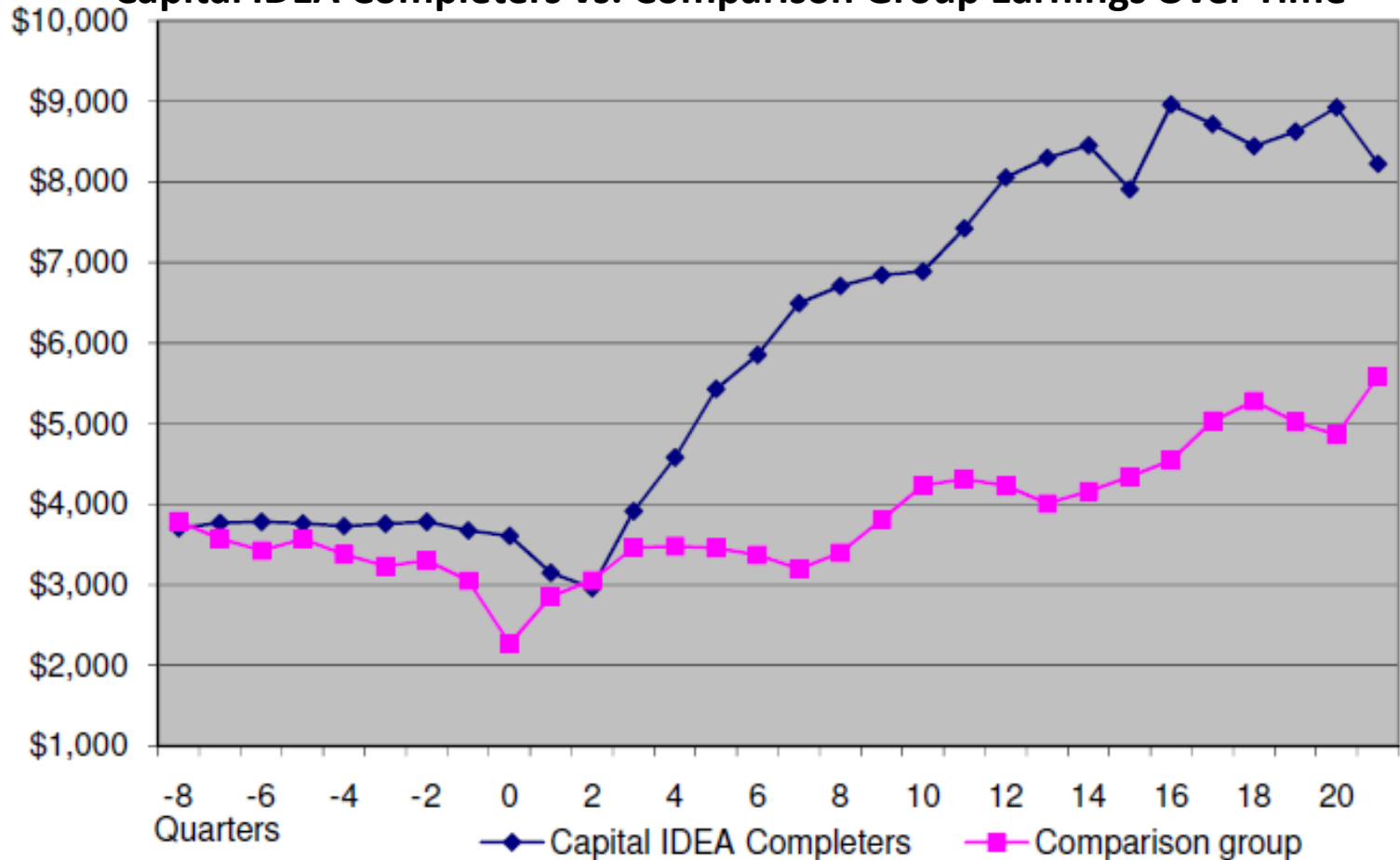


Source: Texas Higher Education Coordinating Board and Texas Tribune

Example of Success

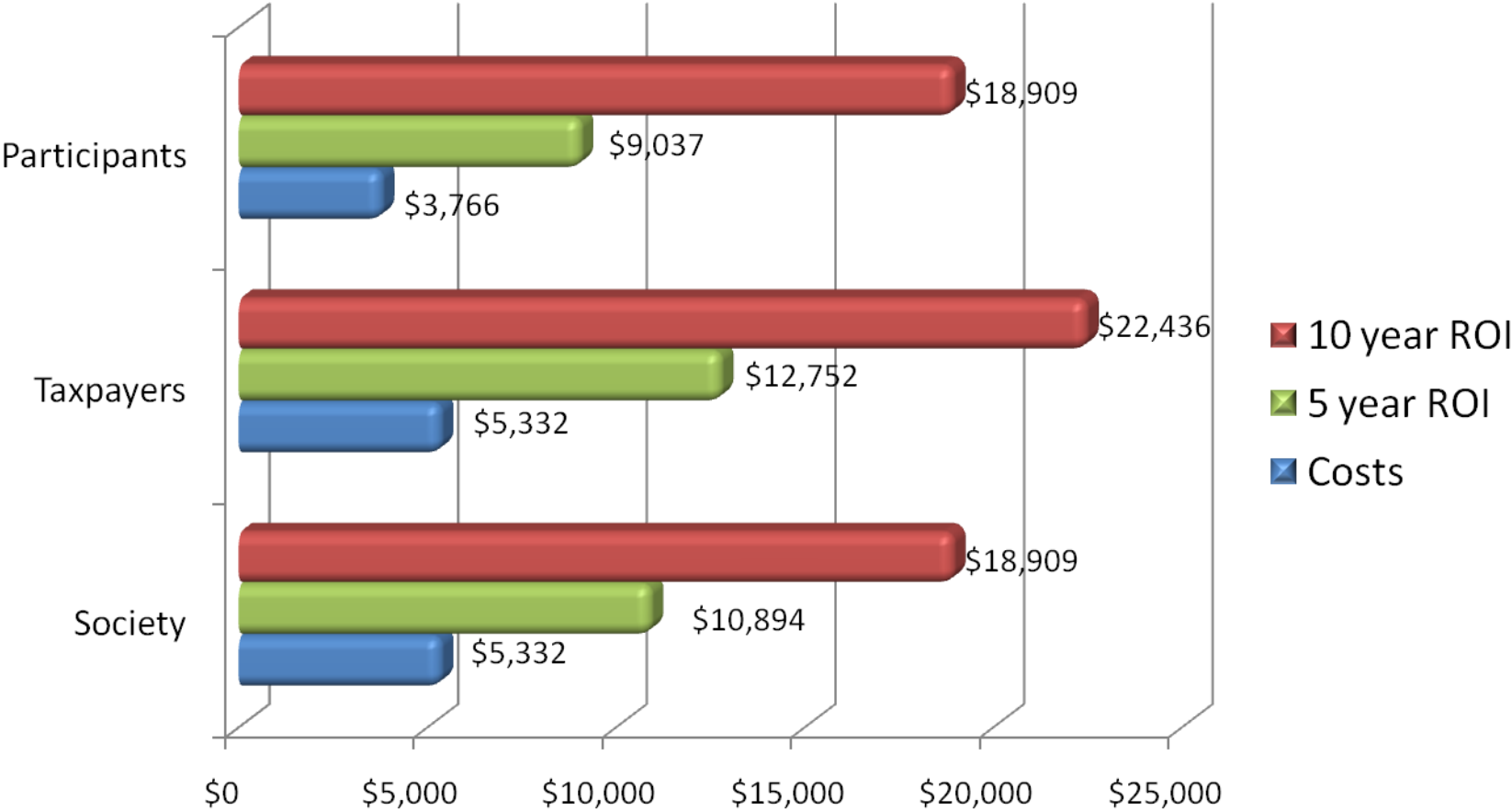
Capital IDEA – a workforce intermediary, proves that long-term training and education results in higher levels of employment and sustainable higher wages.

Capital IDEA Completers vs. Comparison Group Earnings Over Time



Return on Workforce Investments

For Capital Area over a 5 and 10 year span



Source: Returns from Investments in Workforce Services: Capital Area Estimates for Participants, Taxpayers and Society
Christopher King, et al, July 2008